

AMENDED IN SENATE JUNE 19, 2000
AMENDED IN SENATE MAY 25, 2000
AMENDED IN ASSEMBLY MARCH 16, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 52

Introduced by Assembly Member Cedillo
(Principal coauthor: Assembly Member Calderon)
(Principal coauthor: Senator Murray)
(Coauthors: Assembly Members Briggs, Cardenas,
Firebaugh, Granlund, Reyes, and Strickland)
(Coauthors: Senators Alarcon and Perata)

December 7, 1998

An act to amend, repeal, and add Section 18824 of the Business and Professions Code, relating to athletic events, making an appropriation therefor, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 52, as amended, Cedillo. Athletic events: fees.

Existing law, the Boxing Act, provides for the regulation by the State Athletic Commission of specified contests, matches, and exhibitions, including boxing, kickboxing, martial arts, wrestling and other full or partial contact contests, matches, or exhibitions. Existing law provides that every person who conducts a contest or wrestling exhibition pay the commission a fee of 5% of the amount paid for admission to the contest or wrestling exhibition.

~~This bill would, until January 1, 2008, require that the 5% fee of the amount paid for admission to a contest or wrestling exhibition be paid to the commission if admission ticket sales are \$1,000,000 or more, and would impose a \$75,000 limit on those fees for any one contest or exhibition. This bill would, until January 1, 2008, require that a fee of 3.5% of the amount paid for admission to a contest or wrestling exhibition be paid to the commission if admission ticket sales are less than \$1,000,000. The bill would also require that if 2006, impose a \$50,000 limit on the fees derived from the amount paid for admission to any one contest or wrestling exhibition and would also require that if those fees exceed \$35,000, the amount in excess of \$35,000 be deposited in paid 1/2 to the commission and 1/2 to the Boxers' Pension Account. Because this bill would provide for an increase in the amount deposited into the Boxers' Pension Account, a continuously appropriated special account within the General Fund, it would make an appropriation. This bill would require the commission to submit a report to the Legislature, by December 31, 2005 2004, addressing the impact and effect of this act on commission revenues, the sport of boxing, and the Boxers' Pension Account.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ~~2/3~~ majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18824 of the Business and
2 Professions Code is amended to read:
3 18824. (a) Except as provided in Sections 18646 and
4 18832, every person who conducts a contest or wrestling
5 exhibition shall, within 72 hours after the determination
6 of every contest or wrestling exhibition for which
7 admission is charged and received, furnish to the
8 commission a written report executed under penalty of
9 perjury by one of the officers, showing the number of
10 tickets issued or sold for the contest or wrestling
11 exhibition, the amount of the gross receipts or value

thereof, and the gross price charged directly or indirectly and no matter by whom received, for the sale, lease, or other exploitation of broadcasting and television rights of the contest or wrestling exhibition, and without any deductions, except for expenses incurred for one broadcast announcer, telephone line connection, and transmission mobile equipment facility, which may be deducted from the gross taxable base when those expenses are approved by the commission. The person shall also, within the same time, ~~do the following:~~

~~(1) If the total admission ticket sales are one million dollars (\$1,000,000) or more, pay to the commission a fee of 5 percent, but not to exceed the amount of seventy-five thousand dollars (\$75,000) fifty thousand dollars (\$50,000) for any one contest or exhibition, exclusive of any federal taxes paid thereon, of the amount paid for admission to the contest or wrestling exhibition, and a fee of up to 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof~~

~~(2) If the total admission ticket sales are less than one million dollars (\$1,000,000), pay to the commission a fee of 3.5 percent, exclusive of any federal taxes paid thereon, of the amount paid for admission to the contest or wrestling exhibition, and a fee of up to 5 percent of the gross price as described above for the sale, lease, or other exploitation of broadcasting or television rights thereof.~~

~~(b)~~, *except that in no case shall the fee be less than one thousand dollars (\$1,000).* The minimum fee for an amateur contest or exhibition shall not be less than five hundred dollars (\$500). The amount of the gross receipts upon which the fee provided for in this section is calculated shall not include any assessments levied by the commission under Section 18711.

The fee on admission shall apply to the amount actually paid for admission and not to the regular established price.

No fee is due in the case of a person admitted free of charge. However, if the total number of persons admitted free of charge to a boxing, kickboxing, or martial arts

1 contest or wrestling exhibition exceeds 25 percent of the
2 total number of spectators, then a fee of one dollar (\$1)
3 per complimentary ticket or pass used to gain admission
4 to the contest shall be paid to the commission for each
5 complimentary ticket or pass that exceeds the numerical
6 total of 25 percent of the total number of spectators.

7 ~~(e)~~

8 (b) If the fee on admissions for any one contest or
9 exhibition exceeds thirty-five thousand dollars (\$35,000),
10 the amount in excess of thirty-five thousand dollars
11 (\$35,000) shall be ~~deposited in~~ *shall be paid one-half to the*
12 *commission and one-half to the Boxers' Pension Account.*

13 ~~(d)~~

14 (c) As used in this section, "person" includes a
15 promoter, club, individual, corporation, partnership,
16 association or other organization, and "wrestling
17 exhibition" means a performance of wrestling skills and
18 techniques by two or more individuals, to which
19 admission is charged or which is broadcast or televised, in
20 which the participating individuals are not required to
21 use their best efforts in order to win, and for which the
22 winner may have been selected before the performance
23 commences.

24 ~~(e)~~

25 (d) This section shall remain in effect only until
26 January 1, ~~2008~~ 2006, and as of that date is repealed, unless
27 a later enacted statute, that is enacted before January 1,
28 ~~2008~~ 2006, deletes or extends that date.

29 SEC. 2. Section 18824 is added to the Business and
30 Professions Code, to read:

31 18824. (a) Except as provided in Sections 18646 and
32 18832, every person who conducts a contest or wrestling
33 exhibition shall, within 72 hours after the determination
34 of every contest or wrestling exhibition for which
35 admission is charged and received, furnish to the
36 commission a written report executed under penalty of
37 perjury by one of the officers, showing the number of
38 tickets issued or sold for the contest or wrestling
39 exhibition, the amount of the gross receipts or value
40 thereof, and the gross price charged directly or indirectly

1 and no matter by whom received, for the sale, lease, or
2 other exploitation of broadcasting and television rights of
3 the contest or wrestling exhibition, and without any
4 deductions, except for expenses incurred for one
5 broadcast announcer, telephone line connection, and
6 transmission mobile equipment facility, which may be
7 deducted from the gross taxable base when those
8 expenses are approved by the commission. The person
9 shall also, within the same time pay to the commission a
10 5 percent fee, exclusive of any federal taxes paid thereon,
11 of the amount paid for admission to the contest or
12 wrestling exhibition, and up to 5 percent of the gross price
13 as described above for the sale, lease, or other exploitation
14 of broadcasting or television rights thereof, except that in
15 no case shall the fee be less than one thousand dollars
16 (\$1,000).

17 (b) The minimum fee for an amateur contest or
18 exhibition shall not be less than five hundred dollars
19 (\$500). The amount of the gross receipts upon which the
20 fee provided for in this section is calculated shall not
21 include any assessments levied by the commission under
22 Section 18711.

23 The fee on admission shall apply to the amount actually
24 paid for admission and not to the regular established
25 price.

26 No fee is due in the case of a person admitted free of
27 charge; provided, however, if the total number of persons
28 admitted free of charge to a boxing, kickboxing, or martial
29 arts contest or wrestling exhibition exceeds 25 percent of
30 the total number of spectators, then a fee of one dollar
31 (\$1) per complimentary ticket or pass used to gain
32 admission to the contest shall be paid to the commission
33 for each complimentary ticket or pass that exceeds the
34 numerical total of 25 percent of the total number of
35 spectators.

36 (c) As used in this section, "person" includes a
37 promoter, club, individual, corporation, partnership,
38 association or other organization, and "wrestling
39 exhibition" means a performance of wrestling skills and
40 techniques by two or more individuals, to which

1 admission is charged or which is broadcast or televised, in
2 which the participating individuals are not required to
3 use their best efforts in order to win, and for which the
4 winner may have been selected before the performance
5 commences.

6 (d) This section shall become operative on January 1,
7 ~~2008~~ 2006.

8 SEC. 3. The State Athletic Commission shall, by
9 December 31, 2005, submit a report to the Legislature on
10 the impact and effect of this act. The report shall include,
11 at a minimum, an assessment of the act's impact on the
12 following:

13 (a) The net changes in enhancing the ethical
14 competition of the sport of boxing.

15 (b) The net increase in revenues collected by the
16 commission.

17 (c) The net increase in revenues deposited into the
18 Boxers' Pension Account.

19 SEC. 4. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or
21 safety within the meaning of Article IV of the
22 Constitution and shall go into immediate effect. The facts
23 constituting the necessity are:

24 In order to permit the state to attract and retain more
25 boxing and wrestling events as soon as possible, it is
26 necessary that this act take effect immediately.

